

**POLLUX PROPERTIES LTD.**

(Incorporated in Republic of Singapore)

(Company Registration Number: 199904729G)

**INCORPORATION OF SUBSIDIARIES AND ACQUISITION OF THREE (3) HOTEL PROPERTIES IN BEKASI, INDONESIA**

**INCORPORATION OF SUBSIDIARIES**

The Board of Directors (the “**Board**” or the “**Directors**”) of Pollux Properties Ltd. (the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to announce that, as set out in their announcement of 12 August 2022, the Group has recently incorporated the following subsidiaries in connection with the acquisition of three hotel properties (the “**Hotels**”) in Bekasi, Indonesia:

Name of Subsidiary:	Sapphire Investments (SG) Pte Ltd
Name of Holding Company:	Pollux Properties Ltd
Principal activity:	Investment holding company
Issued and paid-up capital:	S\$2.00
The Group’s shareholding:	100%
Incorporation date:	18 May 2022

Name of Subsidiary:	Emerald Investments (SG) Pte Ltd
Name of Holding Company:	Pollux Properties Ltd
Principal activity:	Investment holding company
Issued and paid-up capital:	S\$2.00
The Group’s shareholding:	100%
Incorporation date:	18 May 2022

Name of Subsidiary:	Diamond Investments (SG) Pte Ltd
Name of Holding Company:	Pollux Properties Ltd
Principal activity:	Investment holding company
Issued and paid-up capital:	S\$2.00
The Group’s shareholding:	100%
Incorporation date:	20 May 2022

Name of Subsidiary:	PT. Mitra Investasi Abadi
Name of Holding Company:	1. Emerald Investments (SG) Pte. Ltd. – 109,999,999 shares at Indonesian Rupiah (“ <b>Rp</b> ”) 100 each; and 2. Diamond Investments (SG) Pte. Ltd. – 1 share at Rp100
Principal activity:	Stars hotel, holding company activities, owned or rented real estate, and real estate based on fees or contracts
Authorised capital:	Rp 40,000,000,000
Issued capital:	Rp 11,000,000,000
The Group’s shareholding:	100%
Incorporation date:	27 May 2022

Name of Subsidiary:	PT. Investasi Cemerlang Sukses
Name of Holding Company:	1. Diamond Investments (SG) Pte. Ltd. – 109,999,999 shares at Rp100 each; and 2. Sapphire Investments (SG) Pte. Ltd. – 1 share at Rp100
Principal activity:	Stars hotel, holding company activities, owned or rented real estate, and real estate based on fees or contracts
Authorised capital:	Rp 40,000,000,000

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Issued capital:	Rp 11,000,000,000
The Group's shareholding:	100%
Incorporation date:	27 May 2022

Name of Subsidiary:	PT. Sumber Makmur Investasi
Name of Holding Company:	1. Sapphire Investments (SG) Pte. Ltd. – 109,999,999 shares at Rp100 each; and 2. Emerald Investments (SG) Pte. Ltd. – 1 share at Rp100
Principal activity:	Stars hotel, holding company activities, owned or rented real estate, and real estate based on fees or contracts
Authorised capital:	Rp 40,000,000,000
Issued capital:	Rp 11,000,000,000
The Group's shareholding:	100%
Incorporation date:	27 May 2022

The incorporation of the aforementioned subsidiaries will not have any material effect on the earnings per share, net asset value per share, gearing and substantial shareholders' shareholding of the Group for the financial year ending 31 December 2022.

None of the Directors or controlling shareholders of the Company and/or Group, as well as their respective associates, has any interest, direct or indirect, in the incorporation of the abovementioned subsidiaries (other than through their respective shareholdings in the Company).

## ACQUISITION OF 3 HOTEL PROPERTIES IN BEKASI, INDONESIA

### 1. INTRODUCTION

The Board of Directors of Pollux Properties Ltd. wishes to announce that the Company has through each of its indirect wholly-owned subsidiaries, PT. Sumber Makmur Investasi, PT. Mitra Investasi Abadi and PT. Investasi Cemerlang Sukses (collectively, the "**Purchasers**"), entered into sale and purchase agreements (collectively, the "**SPAs**") on 9 September 2022 individually with PT. Gunung Bimantara Sakti ("**GBS**") for the acquisition of three (3) hotels held by GBS' subsidiary, which are located at Bekasi, Indonesia (the "**Hotels**") (the "**Acquisition**"). GBS is an investment holding company that mainly invests in real estate-related companies. The ultimate holding company of GBS is Dasani International Group Ltd, an investment holding company which is incorporated in the British Virgin Islands.

The acquisition of each of the Hotels are not dependent on the successful completion of the acquisition of the other Hotels.

### 2. INFORMATION ON THE PROPERTIES

A brief description of the Hotels is as follows:

Type of Property	Description	Property Location	Title Tenure	Subsidiary acquiring the Property	Total Strata-Title Area (Square Meters)
A 178 Rooms 4 Star Hotel	182 Unit Strata Title <sup>(1)</sup> hotel South	Bekasi, West Java, Indonesia	30 years, extendable upon expiry <sup>(2)</sup>	PT. Investasi Cemerlang Sukses	6,216.61

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Type of Property	Description	Property Location	Title Tenure	Subsidiary acquiring the Property	Total Strata-Title Area (Square Meters)
A 72 Rooms 4 Star Hotel	74 Unit Strata Title <sup>(1)</sup> hotel West	Bekasi, West Java, Indonesia	30 years, extendable upon expiry <sup>(2)</sup>	PT. Mitra Investasi Abadi	3,200.59
A 72 Rooms 4 Star Hotel	74 Unit Strata Title <sup>(1)</sup> hotel East	Bekasi, West Java, Indonesia	30 years, extendable upon expiry <sup>(2)</sup>	PT. Sumber Makmur Investasi	3,246.40

Notes:

(1) Sertifikat Hak Milik Atas Satuan Rumah Susun

(2) Extendable at Company's option

The Company plans to either outsource the operations of the Hotels to a third-party operator, or may manage the Hotels internally under the Louis Kienne brand. The Hotels will be full serviced hotels which the Company will fit out the Hotels according to the operator's requirement (if any), and are expected to commence operations by the first quarter of 2023. Completion of the Acquisition is expected to occur on or within the date falling 10 days from the date of the SPAs.

### 3. RATIONALE

The Board believes that the Acquisition will generally be beneficial for the Company's property investment business as the Company will be able to expand its investment property portfolio overseas and increase its revenue stream. This will strengthen the Group's hospitality footprint and brand presence in Indonesia.

The Acquisition will also enable the Company to enhance its investment profile overseas, improve the stability of its investment property income, and generate increased investors' interest in the Company. This could in turn, lead to better share value and increased value for shareholders.

Accordingly, the Acquisition would overall benefit the Company and its shareholders.

### 4. PURCHASE CONSIDERATION AND VALUATION

The total purchase consideration for the Hotels is approximately Rp. 216.9 billion (approximately S\$20.4 million) (the "**Purchase Consideration**") and will be satisfied in cash on the date of completion of the Acquisition. The Purchase Consideration was determined based on arm's length negotiations between the Purchasers and GBS and arrived at on a willing-buyer, willing-seller basis, taking into consideration, *inter alia*, the Group's assessment of the Hotels' values having regard to their income generation ability which had been approved by the Board. The Purchase Consideration was also determined taking into consideration the indicative valuation of approximately Rp. 216.9 billion (approximately S\$20.4 million) as at 7 July 2022 provided by KJPP Susan Widjojo & Rekan (the "**Valuer**"). The Valuer has been commissioned to perform an independent valuation of the Hotels, based on income and market comparison approaches. The Purchase Consideration will be funded by internal resources.

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The Hotels to be acquired are strata-title properties and are not currently income-generating operating entities. Therefore, there are no net profits attributable to the assets to be acquired.

### 5. FINANCIAL EFFECTS OF THE ACQUISITION

The financial effects as set out below are strictly for illustrative purposes and do not necessarily reflect the actual financial position and performance of the Group following the Acquisition. The figures presented below are based on the Group's audited consolidation financial statements for the financial year ended 31 December 2021 ("FY2021"), being the most recently completed financial year for which financial statements are publicly available as at the date of this announcement.

For the purposes of illustrating the financial effects,

- (a) the financial effects on the net tangible assets ("NTA") per share of the Company have been computed assuming that the Acquisition was completed on 31 December 2021; and
- (b) the financial effects on the earnings per share ("EPS") of the Company have been computed assuming that the Acquisition was completed on 1 January 2021.

#### 5.1 NTA

	Before the Acquisition	After the Acquisition
NTA of the Group (S\$)	199,603,611	199,603,611
NTA per share (Singapore cents) <sup>(1)</sup>	7.23	7.23

Note:

(1) Based on 2,759,468,325 issued shares of the Group as at 31 December 2021.

#### 5.2 EPS

	Before the Acquisition	After the Acquisition
Profit after tax attributable to the shareholders of the Company (S\$)	3,993,102	3,993,102
EPS (Singapore cents) <sup>(1)</sup>	0.14	0.14

Note:

(1) Based on 2,759,468,325 issued shares of the Group as at 31 December 2021.

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### 6. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE LISTING MANUAL

The relative figures computed on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (the “Catalist Rules”) are as follows:

Rule 1006 of Catalist Rules	Bases	Relative figures
(a)	The net asset value of the assets to be disposed of, compared with the Group’s net asset value.	Not applicable <sup>(1)</sup>
(b)	The net profits attributable to the assets acquired or disposed of, compared to with the Group’s net profits.	Not applicable <sup>(2)</sup>
(c)	The aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares.	13.46% <sup>(3)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>(4)</sup>
(e)	The aggregate volume or amount proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves.	Not applicable <sup>(5)</sup>

Notes:

- (1) Not applicable as this is an acquisition.
- (2) Not applicable as the Acquisition is in respect of strata-title properties and are not currently income-generating operating entities. As such, there are no net profits attributable to the assets to be acquired.
- (3) The Company’s market capitalisation has been calculated by multiplying 2,759,468,325 issued shares in the capital of the Company by S\$0.055, being the weighted average price of such shares transacted on 9 September 2022, being the full market day immediately preceding the date of the SPAs. An exchange rate of S\$1 : Rp. 10,616.84 has been used in connection with the exchange rate for the aggregate value of the consideration of Rp. 216.9 billion.
- (4) Not applicable as no equity securities are proposed to be issued by the Company as consideration for the Acquisition.
- (5) Not applicable as the Acquisition is an acquisition of assets and not a disposal of assets. In addition, the Company is not a mineral, oil and gas company.

As the relative figure computed on the bases set out in Rule 1006(c) of the Catalist Rules exceeds 5% but does not exceed 75%, the Acquisition constitutes a “Discloseable Transaction” under Chapter 10 of the Catalist Rules.

### 7. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial shareholders of the Company has any interest, direct or indirect, in the Acquisition, other than through their respective shareholding (if any) in the Company.

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### **8. SERVICE CONTRACTS**

No person is proposed to be appointed as a Director of the Company in connection with the Acquisition and no service contracts in relation thereto is proposed to be entered into by the Group.

### **9. DOCUMENTS FOR INSPECTION**

Copies of the SPAs and valuation report can be inspected at the registered office of the Company at 554 Havelock Road, Singapore 169639, during normal business hours within three (3) months from the date of this Announcement.

### **10. CAUTIONARY STATEMENT**

Shareholders are advised to exercise caution when dealing or trading in the Shares of the Company. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

### **By Order of the Board**

Jacob Lee  
Chief Executive Officer and Executive Director

11 September 2022

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*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

*The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer at 7 Temasek Boulevard #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.*